

EXHIBIT 50

Collins, Theodore M.

October 30, 2007

Madison, WI

Page 1

STATE OF WISCONSIN: CIRCUIT COURT: DANE COUNTY

STATE OF WISCONSIN,

Plaintiff,

-vs-

CASE NO. 04-CV-1709

AMGEN, INC., et al.,

Defendants.

VIDEOTAPE DEPOSITION OF THEODORE M.

COLLINS, was taken at the instance of the Defendants, under and pursuant to the provisions of Chapter 804.05 of the Wisconsin Statutes and the applicable Hawaii Statutes, and the acts amendatory thereof and supplementary thereto, before me, KATHY HALMA, Registered Professional Reporter and Notary Public in and for the State of Wisconsin, at the offices of the Attorney General of the State of Wisconsin, 17 West Main Street, Madison, Wisconsin, on the 30th day of October, 2007, commencing at 9:30 o'clock in the forenoon.

Henderson Legal Services
202-220-4158

Collins, Theodore M.

October 30, 2007

Madison, WI

Page 82	Page 84
<p>1 or maybe even mid '90's probably. It was added 2 to -- it was a form that was actually added to 3 the handbook that they had. I'm not quite sure 4 when it was done.</p> <p>5 Q. And this is the Pharmacy Provider 6 Handbook?</p> <p>7 A. Pharmacy Provider Handbook.</p> <p>8 Q. But setting aside whether or not the 9 process was formal in the 1979 to '84 time 10 period, if you set a MAC that too low, you would 11 hear about it from pharmacists?</p> <p>12 A. That's correct.</p> <p>13 Q. And then the formal process came in at 14 some point in the '80's, you don't know when, but 15 when you came back in '98, '99, in that timeframe 16 and resumed the responsibility for setting the 17 Wisconsin Medicaid MAC, there was a formal 18 process in place?</p> <p>19 A. Yes, I believe that was true at that 20 period, yes.</p> <p>21 Q. And how does the formal process work?</p> <p>22 A. It's a form they can fax in with a copy</p>	<p>1 A. It was an invoice.</p> <p>2 Q. -- and sending that price information 3 along to you?</p> <p>4 A. Yes.</p> <p>5 Q. And that price information was 6 something that you would have incorporated in the 7 process of setting Wisconsin MACs?</p> <p>8 A. That's true.</p> <p>9 Q. And if a pharmacist faxed in an invoice 10 that showed they couldn't purchase at the price 11 that had been set for the MAC, what would happen?</p> <p>12 A. Well, we would evaluate it. If it 13 perhaps was a product that was a very high volume 14 and that they had purchased one small bottle and 15 we knew they bought it short, we wouldn't always 16 change. We would wait until we had another 17 submission of an invoice. But if it was -- it 18 appeared to be part of the routine purchasing 19 process, that would generate then an 20 investigation in which I would go back and look 21 at my available sources and make a determination 22 whether that reflected what my sources had for</p>
Page 83	Page 85
<p>1 of the invoice. Sometimes they just fax in the 2 copy of the invoice. It's a formal process, but 3 we're realistic and if they provide us with 4 documentation, an invoice, then we don't always 5 make them fill out the form. Our objective is 6 that we establish a price that's reasonable and 7 not stand on format.</p> <p>8 Q. You indicated there was an individual 9 in the time Wisconsin Medicaid program that 10 received this information. Who was that?</p> <p>11 A. It varied over time. It was Carrie 12 Gray at one time. It was Kathy Zimmerman at one 13 time. It was Carol Nino at one time, and it 14 currently is Susan -- she will hate it I don't 15 remember her name. I don't recall her name. 16 Anyway, it was a clerical job that changed 17 frequently.</p> <p>18 Q. And this person, this individual at the 19 Wisconsin Medicaid program was responsible for 20 collecting, it sounds like, invoices that showed 21 the price at which a pharmacy was purchasing and 22 sending --</p>	<p>1 price information.</p> <p>2 Q. And if you determined that the drug 3 wasn't uniformly available at the MAC price, what 4 would you do?</p> <p>5 A. I would suggest to the clerical person 6 who was responsible for administering the MAC 7 program in the sense of adding -- doing the 8 paperwork that that price be changed and 9 establish a date that usually was at least back 10 to the period in which they were requesting it. 11 So it would be backdated.</p> <p>12 Q. Okay. So just so we're clear, you 13 would increase the MAC price, right?</p> <p>14 A. I don't recall anybody ever asking us 15 to decrease the price, which was always 16 interesting.</p> <p>17 Q. Actually, I have seen documents. I 18 have one example we can look at in a little 19 while. There's at least one truly honest?</p> <p>20 A. I'm sure there's always one example to 21 prove the rule, I guess.</p> <p>22 Q. But generally speaking you would get</p>

22 (Pages 82 to 85)

Henderson Legal Services
202-220-4158

Collins, Theodore M.

October 30, 2007

Madison, WI

Page 86	Page 88
<p>1 these invoices and you would increase the MAC 2 price if you, after investigation, decided it was 3 appropriate to do so?</p> <p>4 A. That's true.</p> <p>5 Q. And it was you that was responsible for 6 making the decision during the 1999 to the 7 present period?</p> <p>8 A. I think that is true, yes.</p> <p>9 Q. And what criteria did you use?</p> <p>10 A. I went back and looked at the sources 11 that I had and used both their invoices as well 12 as the pricing sources I had established to make 13 the change.</p> <p>14 Q. And when you say "these pricing 15 sources," we're talking about Cardinal and IPC 16 and --</p> <p>17 A. Vet Net Purchasing, yes.</p> <p>18 Q. Okay. You talked about the concept of 19 backdating. What was backdated?</p> <p>20 A. Well, the date of -- The pharmacists in 21 Wisconsin have I think it's up to a year they can 22 rebill, if we make a change, and get the</p>	<p>1 adequately compensated for dispensing generic 2 drugs?</p> <p>3 A. Right, for that time period.</p> <p>4 Q. Focusing back now on Exhibit Collins 5 003 for identification, we were looking at the 6 bullet that says MAC Drug Selection. There's -- 7 the second bullet under that heading says, "MAC 8 prices must be at least 25 percent less than 9 innovator prices." What does that mean?</p> <p>10 A. Well, not that 25 is a hard and fast 11 rule. Reality is that the -- when compared -- a 12 generic when compared to a brand has a different 13 rebate. I wasn't privy to the rebate 14 information. That wasn't something I had access 15 to, except on a rare occasion, but since at a 16 minimum the rebates for brand named drugs were 15 17 and one-half percent and for generics were 11, 18 there was a difference in that cost to the 19 program, and traditionally the rebates were more 20 than the minimum 15.5 percent, particularly the 21 products that had gone generic. So there were 22 circumstances in which there was no MAC because</p>
Page 87	Page 89
<p>1 different prices, if we raised the price, for 2 instance. So if, in fact, they believe 30 days 3 ago they purchased this product which was at a 4 price that was much more than the MAC price, then 5 we would backdate it to that period that they 6 requested in which they had an invoice and would 7 -- and they were then able to go back and rebill 8 and -- Reverse and rebill is what they do. They 9 reverse the claim, they rebill and get the higher 10 amount.</p> <p>11 Q. I think I know the answer to this, but 12 why would you backdate? What was the purpose 13 behind that?</p> <p>14 A. The purpose was if, in fact, during the 15 time period in which we had established a MAC 16 that didn't reflect what the marketplace was, it 17 gave them the opportunity to get reimbursed at 18 that higher rate.</p> <p>19 Q. And by "them" you mean pharmacists?</p> <p>20 A. Pharmacists, yes.</p> <p>21 Q. So, in other words, backdating was an 22 attempt to make sure that pharmacists were</p>	<p>1 the MAC price would have still been higher than 2 the net cost of a brand name product.</p> <p>3 Q. Let me see if I can understand what you 4 have just said. You made reference to rebates. 5 Let's start there. Rebates -- and the rebates 6 you are talking about are rebates that the 7 manufacturers pay to the State of Wisconsin 8 Medicaid program?</p> <p>9 A. Yes.</p> <p>10 Q. So the defendant manufacturers in this 11 case pay rebates to the Wisconsin Medicaid 12 program; correct?</p> <p>13 A. Yes.</p> <p>14 Q. And you said the rebate that a 15 manufacturer would pay to the Wisconsin Medicaid 16 program is different for branded products than it 17 is for generic products?</p> <p>18 A. That's correct.</p> <p>19 Q. And you talked about some formulas it 20 sounds like?</p> <p>21 A. Yes.</p> <p>22 Q. And you said typically with a branded</p>